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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-904]

Certain Activated Carbon from the People's Republic of China: Final Results and Partial Rescission of Third Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On April 29, 2011, the Department of Commerce ("Department") published in the Federal Register the preliminary results of the third administrative review of the antidumping duty order on certain activated carbon from the People's Republic of China ("PRC").¹ We gave interested parties an opportunity to comment on the Preliminary Results. Based upon our analysis of the comments and information received, we made changes to the margin calculations for the final results. We find that the mandatory respondents have not sold subject merchandise at less than normal value during the period of review ("POR"), April 1, 2009, through March 31, 2010.

EFFECTIVE DATE: [Insert date of publication in the Federal Register.]

FOR FURTHER INFORMATION CONTACT: Robert Palmer, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-9068.

¹ See Certain Activated Carbon From the People's Republic of China: Preliminary Results of the Third Antidumping Duty Administrative Review, and Preliminary Rescission in Part, 76 FR 23978 (April 29, 2011) ("Preliminary Results").

SUPPLEMENTARY INFORMATION:

Background

On May 28, 2010, and June 30, 2010, the Department initiated this review with respect to 192 companies upon which an administrative review was requested.² On August 11, 2010, pursuant to 19 CFR 351.213(d)(1), the Department rescinded the administrative review with respect to 128 companies, based upon Petitioners’³ timely withdrawal of review requests.⁴ On August 23, 2010, the Department rescinded the administrative review with respect to an additional 45 companies, based on Petitioners’ timely withdrawal of review requests.⁵ Thus, 19 companies remained subject to this review.⁶

On May 19, 2010, Jacobi Carbons AB (“Jacobi”) and Calgon Carbon (Tianjin) Co., Ltd. (“CCT”) and its parent company Calgon Carbon Corporation (“CCC”), the mandatory respondents in this review, submitted additional surrogate value (“SV”) information.

In the Preliminary Results, we set the deadline for interested parties to submit case briefs and rebuttal briefs to May 30, 2011, and June 7, 2011, respectively. On May 11, 2011, we extended the deadlines for case and rebuttal briefs to June 13, 2011, and June 20, 2011, respectively.⁷ On June 13, 2011, Petitioners, CCT, and the separate rate respondents, Ningxia Huahui Activated Carbon Co., Ltd. (“Huahui”), Shanxi Industry Technology Trading Co., Ltd.

² See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 75 FR 29976 (May 28, 2010); see also, Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part, 75 FR 37759 (June 30, 2010) (collectively, “Initiation Notices”).

³ Norit Americas Inc. and Calgon Carbon Corporation.

⁴ See Certain Activated Carbon From the People’s Republic of China: Notice of Partial Rescission of Antidumping Duty Administrative Review, 75 FR 48644 (August 11, 2010) (“First Rescission”).

⁵ See Certain Activated Carbon from the People’s Republic of China: Notice of Partial Rescission of Antidumping Duty Administrative Review, 75 FR 51754 (August 23, 2010) (“Second Rescission”).

⁶ In the Preliminary Results, the Department inadvertently misstated the number of companies rescinded and the number of companies remaining under review. The remaining companies which were listed in Initiation Notices are: AmeriAsia Advanced Activated Carbon Products Co., Ltd.; Beijing Pacific Activated Carbon Products Co., Ltd.; Calgon Carbon (Tianjin) Co., Ltd.; Cherishmet Inc.; Datong Municipal Yunguang Activated Carbon Co., Ltd.; Jacobi Carbons AB; Jiangxi Hansom Import Export Co.; Langfang Winfield Filtration Co.; Mindong Lianyi Group; Ningxia Guanghua A/C Co., Ltd.; Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd.; Ningxia Huahui Activated Carbon Co., Ltd.; Ningxia Lingzhou Foreign Trade Co., Ltd.; Shanxi DMD Corporation; Shanxi Industry Technology Trading Co., Ltd.; Shanxi Sincere Industrial Co., Ltd.; Tangshan Solid Carbon Co., Ltd.; Tianjin Jacobi International Trading Co., Ltd.; and Tianjin Maijin Industries Co., Ltd.

⁷ See Letter to Interested Parties, dated May 11, 2011.

(“Shanxi ITT”) and Shanxi DMD Corporation (“Shanxi DMD”) filed case briefs. On June 14, 2011, Jacobi filed its case brief.⁸ On June 16, 2011, the Department rejected Huahui’s case brief because it contained new information and provided Huahui until June 20, 2011, to re-file its case brief.⁹ On June 20, 2011, Huahui re-filed its case brief. Also on June 20, 2011, Petitioners, CCT, Shanxi ITT, Shanxi DMD, and Albemarle filed rebuttal briefs.

On June 21, 2011, the Department placed data to value the input of labor on the record for comment by interested parties.¹⁰ On July 5, 2011, Albemarle provided comments on the June 21, 2011, data. On July 7, 2011, the Department placed additional information regarding the labor rate calculation on the record for comment by interested parties.¹¹ On July 12, 2011, CCT filed rebuttal comments to Albemarle’s July 5, 2011, labor data comments. On July 21, 2011, the Department extended the final results until October 26, 2011.¹² The Department did not hold a public hearing, pursuant to 19 CFR 351.310(d), as the hearing requests made by interested parties were withdrawn.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to these reviews are addressed in the “Certain Activated Carbon from the People’s Republic of China: Issues and Decision Memorandum for the Final Results of the Third Antidumping Duty Administrative Review,” which is dated concurrently with this notice (“Decision Memo”). A list of the issues which parties raised and to which we respond in the Decision Memo is attached to this notice as an Appendix. The Decision Memo is a public document and is on file in the Central Records Unit,

⁸ Jacobi filed its case brief under one-day lag rule. See 19 CFR 351.303(c).

⁹ See Letter to Huahui and Albemarle, dated June 16, 2011.

¹⁰ See Memorandum to the File, through Catherine Bertrand, Program Manager, Office 9, from Bob Palmer, Case Analyst, Office 9 re: Third Administrative Review of the Antidumping Duty on Certain Activated Carbon From the People’s Republic of China: Industry Specific Surrogate Labor Rate and Surrogate Financial Ratio Adjustments, dated June 21, 2011 (“Labor Memo”).

¹¹ See Memorandum to the File, through Catherine Bertrand, Program Manager, Office 9, from Bob Palmer, Case Analyst, Office 9 re: Third Administrative Review of the Antidumping Duty on Certain Activated Carbon From the People’s Republic of China: Revision to Surrogate Financial Ratio Adjustments, dated July 7, 2011 (“Revised Labor Memo”).

¹² See Certain Activated Carbon From the People’s Republic of China: Extension of Time Limit for Final Results of the Third Antidumping Duty Administrative Review, 76 FR 43654 (July 21, 2011).

main Commerce building, Room 7046, and is accessible on the Department's website at <http://www.trade.gov/ia>. The paper copy and electronic version of the memorandum are identical in content.

Scope of the Order

The merchandise subject to the order is certain activated carbon. Certain activated carbon is a powdered, granular, or pelletized carbon product obtained by "activating" with heat and steam various materials containing carbon, including but not limited to coal (including bituminous, lignite, and anthracite), wood, coconut shells, olive stones, and peat. The thermal and steam treatments remove organic materials and create an internal pore structure in the carbon material. The producer can also use carbon dioxide gas (CO₂) in place of steam in this process. The vast majority of the internal porosity developed during the high temperature steam (or CO₂ gas) activated process is a direct result of oxidation of a portion of the solid carbon atoms in the raw material, converting them into a gaseous form of carbon.

The scope of the order covers all forms of activated carbon that are activated by steam or CO₂, regardless of the raw material, grade, mixture, additives, further washing or post-activation chemical treatment (chemical or water washing, chemical impregnation or other treatment), or product form. Unless specifically excluded, the scope of the order covers all physical forms of certain activated carbon, including powdered activated carbon ("PAC"), granular activated carbon ("GAC"), and pelletized activated carbon.

Excluded from the scope of the order are chemically activated carbons. The carbon-based raw material used in the chemical activation process is treated with a strong chemical agent, including but not limited to phosphoric acid, zinc chloride sulfuric acid or potassium hydroxide, that dehydrates molecules in the raw material, and results in the formation of water that is removed from the raw material by moderate heat treatment. The activated carbon created by chemical activation has internal porosity developed primarily due to the action of the

chemical dehydration agent. Chemically activated carbons are typically used to activate raw materials with a lignocellulosic component such as cellulose, including wood, sawdust, paper mill waste and peat.

To the extent that an imported activated carbon product is a blend of steam and chemically activated carbons, products containing 50 percent or more steam (or CO₂ gas) activated carbons are within the scope, and those containing more than 50 percent chemically activated carbons are outside the scope. This exclusion language regarding blended material applies only to mixtures of steam and chemically activated carbons.

Also excluded from the scope are reactivated carbons. Reactivated carbons are previously used activated carbons that have had adsorbed materials removed from their pore structure after use through the application of heat, steam and/or chemicals.

Also excluded from the scope is activated carbon cloth. Activated carbon cloth is a woven textile fabric made of or containing activated carbon fibers. It is used in masks and filters and clothing of various types where a woven format is required.

Any activated carbon meeting the physical description of subject merchandise provided above that is not expressly excluded from the scope is included within the scope. The products subject to the order are currently classifiable under the Harmonized Tariff Schedule of the United States (“HTSUS”) subheading 3802.10.00. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

Changes Since the Preliminary Results

Based on a review of the record as well as comments received from parties regarding our Preliminary Results, we have made revisions to certain SVs and the margin calculations for CCT and Jacobi in the final results. Specifically, we have updated the SV for labor, coconut shell

charcoal and the calculation of the surrogate financial ratios.¹³ See Decision Memo at Comments 4b, 4c, and 4d and Final SV Memo¹⁴; see also, Labor Cost Methodology below. We have also corrected various errors in the Preliminary Results alleged by respondents. See Decision Memo at Comments 5a, 5b, 5c, 5d, 6a and 6b. For all changes to the margin calculations, see Decision Memo and the company specific analysis memoranda.

Labor Cost Methodology

Pursuant to the Department's recent decision regarding its final labor methodology,¹⁵ we have calculated a revised hourly labor rate to use in valuing CCT and Jacobi's reported labor. The revised surrogate value for labor is calculated by using labor cost data from India, the primary surrogate country, as published in "Chapter 6A: Labor Cost in Manufacturing" from the International Labor Organization ("ILO") Yearbook of Labor Statistics. Additionally, because the Department is now using Chapter 6A to calculate labor costs, the Department made certain adjustments in the surrogate financial ratio calculations regarding labor. See Labor Memo and Revised Labor Memo, for the details of the calculation and supporting data; see also Final SV Memo.

Final Partial Rescission

In the Preliminary Results, the Department preliminarily rescinded this review with respect to Ningxia Lingzhou Foreign Trade Co., Ltd. ("Lingzhou") because the Department determined that it had no shipments of subject merchandise to the United States during the POR.

Subsequent to the Preliminary Results, no information was submitted on the record indicating that Lingzhou made sales to the United States of subject merchandise during the POR

¹³ CCT submitted Active Carbon India Private Limited's ("Active Carbon") 2009-2010 financial statements in its post-preliminary SV submissions, which we will rely upon for the final results. See CCT's Post-Prelim SV Submission, dated May 19, 2011.

¹⁴ See Memorandum to the File, through Catherine Bertrand, Program Manager, Office 9, from Bob Palmer, Case Analyst, Office 9 re: Third Administrative Review of Certain Activated Carbon from the People's Republic of China: Surrogate Values for the Final Results, dated concurrently with this notice ("Final SV Memo") at 2-3.

¹⁵ See Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor, 76 FR 36092 (June 21, 2011) ("Labor Methodologies").

and no party provided written arguments regarding this issue. Thus, in accordance with 19 CFR 351.213(d)(3), and consistent with our practice, we are rescinding this review with respect to Lingzhou.

Special Rule for Further Manufactured Products

In the Preliminary Results, we applied the “special rule” for merchandise with value-added after importation and excused CCT from reporting U.S. sales of subject merchandise further processed by CCC, CCT’s U.S. parent company, and the U.S. further-processing cost information associated with those sales.¹⁶ Further, we stated that we would apply the weight-averaged margin calculated based upon CCT’s U.S. sales to the first unaffiliated customer as the surrogate margin to the transactions to which the “special rule” applied.¹⁷ Because we have not received any information on the record that contradicts our preliminary finding, we shall continue to apply the weight-averaged margin as stated.

Separate Rates

In our Preliminary Results, we determined that the following companies met the criteria for separate rate status: CCT; Jacobi; Beijing Pacific Activated Carbon Products Co., Ltd. (“Beijing Pacific”); Datong Municipal Yunguang Activated Carbon Co., Ltd.; Ningxia Guanhua Cherishment Activated Carbon Co., Ltd. (“GHC”); Huahui; Shanxi DMD Corporation; Shanxi Sincere Industrial Co., Ltd.; Shanxi Industry Technology Trading Co., Ltd.; Tangshan Solid Carbon Co., Ltd.; and Tianjin Maijin Industries Co., Ltd.¹⁸ We have not received any information since the issuance of the Preliminary Results that provides a basis for reconsideration of these determinations. Therefore, the Department continues to find that the companies listed above meet the criteria for a separate rate.

¹⁶ See Preliminary Results, 76 FR at 23985-23986.

¹⁷ Id.

¹⁸ See id. at 23982-23984.

Additionally, in the Preliminary Results, the Department inadvertently stated that Datong Juqiang Activated Carbon Co., Ltd.; Datong Yunguang Chemicals Plant; Hebei Foreign Trade and Advertising Corporation; Shanxi Newtime Co., Ltd.; and United Manufacturing International (Beijing) Ltd. were not rescinded from the administrative review and are considered as part of the PRC-Wide entity.¹⁹ However, on August 11, 2010, and August 23, 2010, these companies were rescinded from this administrative review and, therefore, are no longer subject to this proceeding.²⁰

These five companies, AmeriAsia Advanced Activated Carbon Products Co., Ltd.; Jiangxi Hansom Import Export co.; Langfang Winfield Filtration Co.; Mindong Lianyi Group; and Ningxia Guanghua A/C., Ltd.; companies upon which the Department initiated administrative reviews that have not been rescinded, did not submit either a separate rate application or certification. Therefore, because AmeriAsia Advanced Activated Carbon Products Co., Ltd.; Jiangxi Hansom Import Export co.; Langfang Winfield Filtration Co.; Mindong Lianyi Group; and Ningxia Guanghua A/C., Ltd. did not demonstrate their eligibility for separate rate status in a timely manner, we have determined it is appropriate to consider these companies as part of the PRC-wide entity.

Rate For Non-Selected Companies

In the Preliminary Results, the Department assigned the separate rate companies the rate calculated for CCT. However, for the final results, the rate for both the individually examined respondents, CCT and Jacobi, are de minimis and accordingly, the Department has determined a reasonable method for assigning a rate to the companies eligible for a separate rate. See Decision Memo at Comment 1. Pursuant to this method, we are assigning a rate of 0.44 U.S.

¹⁹ See id. at 23983.

²⁰ See First Rescission; see also, Second Rescission.

Dollars per kilogram (“USD/kg”) to Huahui, its assigned rate in Carbon AR 2.²¹ Additionally, we are assigning a rate of 0.28 USD/kg to the other companies eligible for a separate rate in this review, the separate rate calculated in Carbon AR 2. See Decision Memo at Comment 1.

PRC-Wide Rate and PRC-Wide Entity

The Department used the PRC-Wide rate of 2.42 USD/kg in the most recently completed administrative review of this antidumping order.²² Because we have not calculated a PRC-Wide rate greater than the PRC-Wide rate from previous reviews in this proceeding and nothing on the record of the instant review calls into question the reliability of the PRC-Wide Rate, we find it appropriate to continue to apply the PRC-Wide rate of 2.42 USD/kg for the final results.²³

In the Preliminary Results, the Department determined that those companies which did not demonstrate eligibility for a separate rate are properly considered part of the PRC-wide entity.²⁴ Since the Preliminary Results, none of the companies which did not file separate rate applications or certifications submitted comments regarding these findings. Therefore, we continue to treat these entities as part of the PRC-wide entity.

²¹ See Certain Activated Carbon From the People’s Republic of China: Final Results and Partial Rescission of Second Antidumping Duty Administrative Review, 75 FR 70208, 70209 (November 17, 2010) (“Carbon AR2”) and accompanying IDM at Comment 3.

²² See Carbon AR2, 75 FR at 70209 and 70211.

²³ See Administrative Review of Certain Frozen Warmwater Shrimp From the People’s Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review, 76 FR 51940 and 51942 (Dep’t of Commerce August 19, 2011) where the Department used the PRC-Wide Rate from the previous review.

²⁴ The companies considered part of the PRC-Wide entity are: AmeriAsia Advanced Activated Carbon Products Co., Ltd.; Jiangxi Hansom Import Export Co.; Langfang Winfield Filtration Co.; Mindong Lianyi Group; and Ningxia Guanghua A/C Co., Ltd.

Final Results of Review

The dumping margins for the POR are as follows:

Certain Activated Carbon from the People's Republic of China	
Exporter	Margin
Jacobi Carbons AB ²⁵	\$0.00/ kg
Calgon Carbon (Tianjin) Co. Ltd.	\$0.00/ kg
Ningxia Huahui Activated Carbon Co., Ltd.	\$0.44/ kg
Datong Municipal Yunguang Activated Carbon Co., Ltd.	\$0.28/ kg
Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd. ²⁶	\$0.28/ kg
Shanxi DMD Corporation	\$0.28/ kg
Shanxi Industry Technology Trading Co., Ltd.	\$0.28/ kg
Shanxi Sincere Industrial Co., Ltd.	\$0.28/ kg
Tangshan Solid Carbon Co., Ltd.	\$0.28/ kg
Tianjin Maijin Industries Co., Ltd.	\$0.28/ kg
PRC-Wide rate ²⁷	\$2.42/ kg

Assessment

The Department will determine, and U.S. Customs and Border Protection (“CBP”) shall assess, antidumping duties on all appropriate entries, pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b). We have calculated importer-specific duty assessment rates on a per-unit basis.²⁸ As the Department stated in the most recent administrative review,²⁹ we will continue to direct CBP to assess importer-specific assessment rates based on the resulting per-

²⁵ In the Preliminary Results, we found that Jacobi Carbons Industry (Tianjin) (“JCC”) and Tianjin Jacobi International Trading Co. Ltd. (“Tianjin Jacobi”) both act as export facilitators for Jacobi Carbons AB. See Preliminary Results, 76 FR at 23990. Therefore, as we have done in earlier segments of this antidumping duty order, we are continuing to find it appropriate that Jacobi Carbons AB, Tianjin Jacobi and JCC to receive the antidumping duty rate assigned to Jacobi Carbons AB.

²⁶ As stated above, GHC is a single entity with Beijing Pacific and Ningxia Guanghua Activated Carbon Co., Ltd. Additionally, in a previous review, the Department found that Cherishmet Inc. is affiliated with GHC. See Carbon AR1, 74 FR at 57996 n.2. However, Cherishment Inc. has not been found to be part of the single entity involving Beijing Pacific, GHC, and Ningxia Guanghua Activated Carbon Co., Ltd. See Memorandum to The File, from Robert Palmer, Case Analyst, through Catherine Bertrand, Program Manager; regarding First Antidumping Duty Administrative Review of Certain Activated Carbon from the People's Republic of China: Affiliation Memorandum of Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd., dated April 30, 2009.

²⁷ As discussed in the Separate Rates and PRC-Wide Entity sections of this notice, the PRC-Wide entity includes AmeriAsia Advanced Activated Carbon Products Co., Ltd.; Jiangxi Hansom Import Export Co.; Langfang Winfield Filtration Co.; Mindong Lianyi Group; and Ningxia Guanghua A/C Co., Ltd.

²⁸ We divided the total dumping margins (calculated as the difference between normal value and export price or constructed export price) for each importer by the total quantity of subject merchandise sold to that importer during the POR to calculate a per-unit assessment amount.

²⁹ See Carbon AR2, 75 FR at 70211.

unit (i.e., per-kilogram) rates by the weight in kilograms of each entry of the subject merchandise during the POR. The Department intends to issue appropriate assessment instructions directly to CBP 15 days after publication of the final results of this administrative review.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) For previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (2) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate established in the final results of this review (i.e., \$2.42 per kilogram); and (3) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties has occurred and the subsequent assessment of doubled antidumping duties.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this administrative review and notice in accordance with sections 751(a)(1) and 777(i) of the Act.

Ronald K. Lorentzen
Deputy Assistant Secretary
for Import Administration

__October 24, 2011____
Date

Appendix I – Decision Memorandum

General Issues

Comment 1: Assignment of the Separate Rate

Comment 2: Ad Valorem Deposit Rates

Comment 3: Zeroing

Comment 4: Surrogate Values

- a. Energy Coal
- b. Carbonized Material
- c. Surrogate Financial Ratios
- d. Labor Rate

Comment 5: Issues Regarding CCT

- a. Hydrochloric Acid Purity Level Adjustment
- b. Freight Cost Calculation
- c. Plastic Wrapping Weight Conversions
- d. Raw Material Reporting by CCT and JB

Comment 6: Issues Regarding Jacobi

- a. Brokerage and Handling
- b. Adverse Facts Available for NXGH's Water Usage

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